

**CITY OF BISMARCK POLICE PENSION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2007**

	January-07				December-06				September-06				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Quarter		Allocation		Quarter		Fiscal YTD	FY06	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2006	6/30/2006
															Net	Net
LARGE CAP DOMESTIC EQUITY																
Structured Growth																
LA Capital	837,230	3.7%	3.6%	3.33%	815,551	3.7%	3.6%	7.70%	755,932	3.6%	3.6%	1.81%	13.30%	11.88%	N/A	N/A
Total Structured Growth	837,230	3.7%	3.6%	3.33%	815,551	3.7%	3.6%	7.70%	755,932	3.6%	3.6%	1.81%	13.30%	11.88%	12.99%	0.19%
Russell 1000 Growth				2.57%				5.93%				3.94%	12.93%	6.12%	8.34%	-0.77%
Structured Value																
LSV	841,684	3.7%	3.6%	2.02%	831,014	3.7%	3.6%	8.13%	775,601	3.7%	3.6%	4.48%	15.25%	15.93%	21.06%	12.29%
Russell 1000 Value				1.28%				8.00%				6.22%	16.19%	12.10%	15.70%	6.89%
Enhanced Russell 1000 Index																
LA Capital	775,905	3.4%	3.4%	1.37%	781,516	3.5%	3.4%	7.80%	723,744	3.4%	3.4%	3.51%	13.11%	12.49%	12.73%	3.75%
Russell 1000				1.93%				6.95%				5.06%	14.53%	9.08%	12.05%	3.12%
Enhanced S&P 500 Index																
Northern Trust	778,848	3.4%	3.4%	1.68%	787,134	3.5%	3.4%	6.42%	738,574	3.5%	3.4%	6.56%	15.31%	9.33%	11.32%	2.81%
Westridge	915,920	4.0%	3.6%	1.55%	883,160	4.0%	3.6%	6.86%	825,821	3.9%	3.6%	5.68%	14.69%	8.80%	11.46%	2.80%
Wells Capital	569,643	2.5%	2.4%	3.29%	540,421	2.4%	2.4%	13.95%	472,200	2.2%	2.4%	1.21%	19.13%	N/A	N/A	N/A
Franklin	545,612	2.4%	2.4%	1.49%	526,056	2.4%	2.4%	5.52%	496,505	2.4%	2.4%	N/A	N/A	N/A	N/A	N/A
Total Enhanced S&P 500 Index	2,810,023	10.0%	9.4%	1.92%	2,736,770	10.0%	9.4%	7.79%	2,533,101	9.7%	9.4%	5.15%	15.52%	8.58%	11.40%	2.76%
S&P 500				1.51%				6.70%				5.67%	14.45%	8.63%	11.22%	2.49%
S&P 500 Index																
State Street	370,872	1.6%	1.7%	1.98%	356,149	1.6%	1.7%	8.05%	329,147	1.6%	1.7%	5.79%	16.57%	9.62%	11.55%	2.70%
S&P 500				1.51%				6.70%				5.67%	14.45%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	5,635,714	24.8%	24.0%	2.07%	5,521,001	24.9%	24.0%	7.85%	5,117,525	24.3%	24.0%	4.32%	14.83%	10.93%	13.21%	3.86%
S&P 500				1.51%				6.70%				5.67%	14.45%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY																
Manager-of-Managers																
SEI	2,009,779	8.8%	8.6%	1.61%	1,983,126	8.9%	8.6%	8.85%	1,819,042	8.7%	8.6%	-0.01%	10.59%	13.56%	18.31%	8.00%
Russell 2000 + 200bp				1.84%				9.43%				0.94%	12.50%	16.86%	21.06%	10.71%
Callan	799,405	3.5%	3.4%	2.57%	779,491	3.5%	3.4%	8.45%	706,151	3.4%	3.4%	-0.91%	10.22%	N/A	N/A	N/A
Russell 2000				1.67%				8.90%				0.44%	11.21%			
TOTAL SMALL CAP DOMESTIC EQUITY	2,809,184	12.4%	12.0%	1.88%	2,762,617	12.4%	12.0%	8.74%	2,525,193	12.0%	12.0%	-0.27%	10.49%	13.40%	18.25%	7.97%
Russell 2000				1.67%				8.90%				0.44%	11.21%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY																
Large Cap - Core																
State Street	259,325	1.1%	1.1%	0.38%	258,249	1.2%	1.1%	11.53%	231,646	1.1%	1.1%	3.40%	15.76%	27.85%	20.61%	6.87%
MSCI EAFE (1)				0.68%				10.35%				3.93%	15.46%	26.56%	20.76%	5.94%
Large Cap - Active																
Capital Guardian	769,168	3.4%	3.3%	1.80%	756,414	3.4%	3.3%	8.42%	697,020	3.3%	3.3%	4.95%	15.84%	28.01%	21.32%	6.58%
LSV	771,431	3.4%	3.3%	1.34%	760,809	3.4%	3.3%	10.85%	686,376	3.3%	3.3%	5.93%	19.00%	27.77%	N/A	N/A
Bank of Ireland	248,795	1.1%	1.1%	-0.24%	249,617	1.1%	1.1%	9.82%	227,343	1.1%	1.1%	3.02%	12.86%	22.00%	19.16%	N/A
Total Large Cap - Active	1,789,394	7.9%	7.7%	1.31%	1,766,839	8.0%	7.7%	9.65%	1,610,738	7.7%	7.7%	5.09%	16.74%	27.11%	21.84%	7.14%
MSCI EAFE - 50% Hedged				1.35%				9.06%				4.87%	15.92%	26.72%	22.56%	6.89%
Small Cap - Active																
Lazard	256,081	1.1%	1.1%	0.15%	255,589	1.2%	1.1%	15.51%	221,265	1.1%	1.1%	1.38%	17.28%	25.04%	29.34%	N/A
Wellington	246,190	1.1%	1.1%	1.63%	242,095	1.1%	1.1%	9.14%	221,490	1.1%	1.1%	3.21%	14.49%	23.35%	25.26%	N/A
Total Small Cap - Active	502,271	2.2%	2.2%	0.87%	497,684	2.2%	2.2%	12.33%	442,756	2.1%	2.2%	2.29%	15.90%	24.18%	27.28%	N/A
Citigroup Broad Market Index < \$2BN				1.50%				11.41%				1.55%	14.83%	29.21%	32.38%	N/A
TOTAL INTERNATIONAL EQUITY	2,550,990	11.2%	11.0%	1.14%	2,522,773	11.4%	11.0%	10.36%	2,285,140	10.9%	11.0%	4.36%	16.48%	26.61%	22.77%	8.74%
MSCI EAFE - 50% Hedged				1.35%				9.06%				4.87%	15.92%	26.72%	22.56%	6.89%
EMERGING MARKETS EQUITY																
Core																
JP Morgan	139,948	0.6%	0.5%	0.30%	139,442	0.6%	0.5%	17.51%	118,468	0.6%	0.5%	7.76%	27.01%	N/A	N/A	N/A
PanAgora	115,874	0.5%	0.0%	-1.38%	117,452	0.5%	0.0%	17.38%	99,947	0.5%	0.0%	4.96%	21.50%	N/A	N/A	N/A
WestLB	117,882	0.5%	0.0%	-0.97%	119,033	0.5%	0.0%	17.37%	101,309	0.5%	0.0%	2.94%	19.66%	N/A	N/A	N/A
UBS	209,210	0.9%	0.9%	-0.46%	210,027	0.9%	0.9%	16.12%	180,507	0.9%	0.9%	4.67%	20.99%	N/A	N/A	N/A
Total Core	582,914	2.6%	1.9%	-0.54%	585,954	2.6%	1.9%	16.75%	500,232	2.4%	1.9%	5.09%	22.04%	35.59%	32.44%	18.61%
MSCI Emerging Markets				-1.04%				17.64%				5.01%	22.25%	35.91%	22.39%	12.89%
Small Cap																
DFA	137,886	0.6%	0.6%	1.80%	135,342	0.6%	0.6%	20.71%	111,874	0.5%	0.6%	8.53%	33.37%	N/A	N/A	N/A
MSCI Emerging Markets				-1.04%				17.64%				5.01%	22.25%			
TOTAL EMERGING MARKETS EQUITY	720,800	3.2%	3.0%	-0.10%	721,296	3.2%	3.0%	17.47%	612,106	2.9%	3.0%	5.71%	24.05%	34.40%	32.05%	18.40%
MSCI Emerging Markets				-1.04%				17.64%				5.01%	22.25%	35.91%	34.76%	21.54%
DOMESTIC FIXED INCOME																
Core Bond																
Western Asset	645,285	2.8%	2.7%	-0.15%	649,277	2.9%	3.0%	1.78%	628,760	3.0%	2.9%	4.29%	5.99%	-1.15%	2.65%	5.96%
Lehman Aggregate				-0.04%				1.24%				3.81%	5.05%	-0.81%	2.05%	4.97%
Index																
Bank of ND	1,165,287	5.1%	6.1%	-0.13%	1,172,941	5.3%	6.1%	0.88%	1,165,009	5.5%	6.1%	3.77%	4.54%	-1.37%	1.53%	5.24%
Total Index	1,165,287	5.1%	6.1%	-0.13%	1,172,941	5.3%	6.1%	0.88%	1,165,009	5.5%	6.1%	3.77%	4.54%	-0.69%	2.10%	5.27%
Lehman Gov/Credit				-0.08%				1.04%				3.91%	4.90%	-1.52%	1.60%	5.13%
Convertibles																
TCW (2)	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	546,421	2.6%	2.9%	2.85%	N/A	4.54%	6.78%	1.15%
Calamos	666,609	2.9%	2.7%	1.15%	596,052	2.7%	3.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Convertibles	666,609	2.9%	2.7%	1.15%	596,052	2.7%	3.0%	4.93%	546,421	2.6%	2.9%	2.85%	9.16%	4.54%	6.78%	1.15%
Merrill Lynch All Convertibles (3)				2.16%				5.01%				2.79%	10.27%	9.37%	8.01%	4.94%

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	January-07				December-06				September-06				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Actual	Month Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Fiscal YTD Net ROR	FY06 Net ROR	Ended 6/30/2006 Net	Ended 6/30/2006 Net
<b>BBB Average Quality</b>																
Wells Capital	646,300	2.8%	2.7%	0.11%	649,013	2.9%	3.0%	2.07%	626,999	3.0%	2.9%	4.58%	6.85%	-2.70%	3.36%	5.51%
Lehman BBB				0.12%				1.49%				4.80%	6.48%	-2.37%	2.39%	6.10%
<b>Private Debt</b>																
Prudential	644,934	2.8%	2.7%	0.18%	647,038	2.9%	3.0%	1.47%	628,881	3.0%	2.9%	3.84%	5.56%	-0.13%	N/A	N/A
Lehman Aggregate				-0.04%				1.24%				3.81%	5.05%	-0.81%	N/A	N/A
<b>Timberland</b>																
TIR - Tereido (4)	472,165	2.1%	2.1%	0.06%	474,918	2.1%	2.1%	2.22%	447,425	2.1%	2.1%	-0.19%	2.09%	-1.44%	7.62%	N/A
TIR - Springbank	1,242,058	5.5%	5.5%	32.22%	970,514	4.4%	4.4%	-0.20%	937,279	4.5%	4.5%	-0.06%	31.89%	13.53%	N/A	N/A
<b>Total Timberland</b>	<b>1,714,223</b>	<b>7.5%</b>	<b>7.5%</b>	<b>21.66%</b>	<b>1,445,432</b>	<b>6.5%</b>	<b>6.5%</b>	<b>0.59%</b>	<b>1,384,705</b>	<b>6.6%</b>	<b>6.6%</b>	<b>-0.10%</b>	<b>22.25%</b>	<b>9.43%</b>	<b>20.37%</b>	<b>N/A</b>
NCREIF Timberland Index				2.11%				6.46%				0.85%	9.63%	19.69%	13.94%	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>5,482,638</b>	<b>24.1%</b>	<b>24.5%</b>	<b>6.19%</b>	<b>5,159,753</b>	<b>23.2%</b>	<b>24.5%</b>	<b>1.58%</b>	<b>4,980,775</b>	<b>23.7%</b>	<b>24.5%</b>	<b>2.67%</b>	<b>10.75%</b>	<b>3.12%</b>	<b>8.91%</b>	<b>8.14%</b>
Lehman Aggregate				-0.04%				1.24%				3.81%	5.05%	-0.81%	2.05%	4.97%
<b>HIGH YIELD BONDS</b>																
<b>Core</b>																
Loomis Sayles	567,581	2.5%	2.5%	0.89%	562,399	2.5%	2.5%	4.69%	537,171	2.6%	2.5%	4.85%	10.74%	4.74%	N/A	N/A
Sutter/Wells Capital	540,340	2.4%	2.5%	1.25%	535,748	2.4%	2.5%	1.39%	528,770	2.5%	2.5%	2.84%	5.57%	4.70%	N/A	N/A
<b>Total Core</b>	<b>1,107,921</b>	<b>4.9%</b>	<b>4.9%</b>	<b>1.06%</b>	<b>1,098,147</b>	<b>4.9%</b>	<b>4.9%</b>	<b>3.05%</b>	<b>1,065,941</b>	<b>5.1%</b>	<b>5.0%</b>	<b>3.84%</b>	<b>8.15%</b>	<b>4.72%</b>	<b>5.70%</b>	<b>3.38%</b>
LB High Yield 2% Issuer Constrained Index				1.14%				4.11%				3.76%	9.26%	4.38%	N/A	N/A
<b>Mezzanine Debt</b>																
Goldman Sachs	13,371	0.1%	0.1%	0.00%	13,371	0.1%	0.1%	1.95%	7,636	0.0%	0.0%	-0.04%	1.91%	N/A	N/A	N/A
<b>TOTAL HIGH YIELD BONDS</b>	<b>1,121,292</b>	<b>4.9%</b>	<b>5.0%</b>	<b>1.06%</b>	<b>1,111,518</b>	<b>5.0%</b>	<b>5.0%</b>	<b>3.05%</b>	<b>1,073,577</b>	<b>5.1%</b>	<b>5.0%</b>	<b>3.82%</b>	<b>8.11%</b>	<b>4.72%</b>	<b>8.34%</b>	<b>7.47%</b>
LB High Yield 2% Issuer Constrained Index				1.14%				4.11%				3.76%	9.26%	4.38%	8.48%	8.60%
<b>INTERNATIONAL FIXED INCOME</b>																
<b>International Sovereign</b>																
UBS Global (Brinson)	947,638	4.2%	4.5%	-1.64%	963,178	4.3%	4.5%	1.88%	938,559	4.5%	4.5%	-0.15%	0.06%	0.13%	5.24%	9.99%
Citigroup Non-US Gov't Bond Index (5)				-1.66%				2.09%				0.89%	1.29%	-0.11%	5.01%	9.58%
<b>International Core</b>																
Brandywine	969,262	4.3%	4.5%	-1.36%	982,389	4.4%	4.5%	2.84%	961,963	4.6%	4.5%	1.93%	3.41%	3.89%	8.39%	N/A
Lehman Global Aggregate (ex-US)				-1.58%				2.57%				1.13%	2.10%	3.83%	5.69%	N/A
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	<b>1,916,901</b>	<b>8.4%</b>	<b>9.0%</b>	<b>-1.50%</b>	<b>1,945,567</b>	<b>8.8%</b>	<b>9.0%</b>	<b>2.37%</b>	<b>1,900,521</b>	<b>9.0%</b>	<b>9.0%</b>	<b>0.89%</b>	<b>1.74%</b>	<b>2.01%</b>	<b>6.82%</b>	<b>10.91%</b>
Citigroup Non-US Gov't Bond Index (5)				-1.66%				2.09%				0.89%	1.29%	0.00%	5.05%	9.60%
<b>REAL ESTATE</b>																
INVESCO	872,526			2.37%	852,296			0.14%	872,217			1.55%	4.11%	23.84%	N/A	N/A
J.P. Morgan Strategic & Special Funds	896,093			1.50%	894,241			4.17%	881,730			4.36%	10.35%	21.05%	17.14%	12.52%
J.P. Morgan Alternative Property Fund	210,336			0.61%	209,059			0.00%	193,163			-2.82%	-2.23%	N/A	N/A	N/A
<b>TOTAL REAL ESTATE</b>	<b>1,978,955</b>	<b>8.7%</b>	<b>8.5%</b>	<b>1.79%</b>	<b>1,955,596</b>	<b>8.8%</b>	<b>8.5%</b>	<b>1.94%</b>	<b>1,947,109</b>	<b>9.3%</b>	<b>8.5%</b>	<b>6.25%</b>	<b>22.09%</b>	<b>17.14%</b>	<b>12.52%</b>	
NCREIF TOTAL INDEX				1.48%				4.51%				3.51%	9.78%	18.22%	15.63%	12.19%
<b>ALTERNATIVE INVESTMENTS</b>																
Coral Partners V	17,678			0.00%	18,501			1.68%	28,864			-0.31%	1.36%	8.74%	-15.32%	-24.06%
Coral Partners V - Supplemental	2,175			0.00%	2,252			8.05%	2,621			-0.70%	7.29%	10.53%	10.33%	N/A
Coral Partners VI	40,600			0.00%	38,392			-2.87%	44,338			-0.08%	-2.95%	-6.22%	-10.14%	N/A
Brinson 1998 Partnership Fund	5,385			0.00%	5,528			2.07%	6,075			4.03%	6.18%	16.52%	15.11%	1.97%
Brinson 1999 Partnership Fund	9,766			0.00%	10,025			4.42%	15,077			8.99%	13.81%	14.27%	12.72%	-1.26%
Brinson 2000 Partnership Fund	31,492			0.00%	32,327			2.97%	35,221			4.86%	7.98%	28.22%	17.90%	3.70%
Brinson 2001 Partnership Fund	21,425			0.00%	21,993			-1.63%	25,080			8.12%	6.36%	19.85%	9.95%	3.22%
Brinson 2002 Partnership Fund	12,067			0.00%	12,387			-6.73%	14,900			9.58%	2.20%	32.42%	13.22%	N/A
Brinson 2003 Partnership Fund	3,578			0.00%	3,673			5.60%	3,902			3.05%	8.82%	25.48%	6.77%	N/A
Brinson 1999 Non-US Partnership Fund	4,480			0.00%	4,599			25.02%	5,661			16.69%	45.89%	40.48%	30.98%	18.60%
Brinson 2000 Non-US Partnership Fund	8,675			0.00%	8,906			0.83%	9,908			26.11%	27.15%	35.03%	21.65%	13.01%
Brinson 2001 Non-US Partnership Fund	8,761			0.00%	8,994			-19.07%	12,466			7.27%	-13.19%	27.25%	17.46%	8.96%
Brinson 2002 Non-US Partnership Fund	15,654			0.00%	16,070			31.26%	16,746			17.05%	53.64%	38.11%	22.66%	N/A
Brinson 2003 Non-US Partnership Fund	12,476			0.00%	12,806			12.56%	10,836			21.45%	36.70%	31.08%	8.89%	N/A
Brinson 2004 Non-US Partnership Fund	4,624			0.00%	4,747			7.00%	4,019			-0.77%	6.18%	24.56%	N/A	N/A
Brinson BVCF IV	51,524			0.00%	52,891			10.81%	53,545			9.17%	20.98%	31.35%	19.07%	0.41%
Adams Street Direct Co-investment Fund	10,983			0.00%	5,492			-5.02%	6,486			N/A	N/A	N/A	N/A	N/A
Matlin Patterson Global Opportunities	38,120			0.00%	39,131			12.96%	38,863			-5.52%	6.72%	-11.68%	26.48%	N/A
Matlin Patterson Global Opportunities II	87,762			0.00%	90,090			0.27%	71,479			0.71%	0.98%	-0.85%	N/A	N/A
InvestAmerica	16,014			0.00%	16,439			0.00%	18,441			30.21%	30.21%	0.00%	-9.20%	N/A
Hearthstone MSII	2,595			0.00%	1,283			0.00%	446			0.00%	0.00%	-100.00%	-100.00%	-100.00%
Hearthstone MSIII	11,391			0.00%	6,794			-1.32%	1,042			38.24%	36.42%	59.61%	N/A	N/A
Quantum Resources	8,099			0.00%	8,314			N/A	-			N/A	N/A	N/A	N/A	N/A
Quantum Energy Partners	116			N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (6)</b>	<b>425,441</b>	<b>1.9%</b>	<b>3.0%</b>	<b>0.00%</b>	<b>421,634</b>	<b>1.9%</b>	<b>3.0%</b>	<b>3.68%</b>	<b>426,020</b>	<b>2.0%</b>	<b>3.0%</b>	<b>6.16%</b>	<b>10.07%</b>	<b>11.08%</b>	<b>11.81%</b>	<b>-2.11%</b>
<b>CASH EQUIVALENTS</b>																
Northern Trust STIF/STEP	81,697	0.4%	0.0%	0.45%	73,262	0.3%	0.0%	1.30%	152,170	0.7%	0.0%	1.34%	3.12%	4.31%	2.64%	2.41%
90 Day T-Bill				0.41%				1.26%				1.33%	3.02%	4.00%	2.37%	2.25%
<b>TOTAL FUND</b>	<b>22,723,611</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.39%</b>	<b>22,195,016</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5.65%</b>	<b>21,020,137</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.95%</b>	<b>11.37%</b>	<b>10.18%</b>	<b>13.18%</b>	<b>7.21%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>0.58%</b>				<b>4.97%</b>				<b>3.48%</b>	<b>9.26%</b>	<b>7.37%</b>	<b>9.97%</b>	<b>5.73%</b>

NOTE: Monthly returns and market values are preliminary and subject to change.

- (1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.
- (2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.
- (3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.
- (4) Prior to June 1, 2006, the Toledo properties were under the management of RMK.
- (5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.
- (6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.